

Health care delivery system or system means a public or private organization for delivering health services. The term includes, but is not limited to, clinics and health care prepayment plans.

Power of attorney means any written documents by which a principal authorizes an agent to—

- (1) Receive, in the agent's name, any payments due the principal;
- (2) Negotiate checks payable to the principal; or
- (3) Receive, in any other manner, direct payment of amounts due the principal.

§ 424.73 Prohibition of assignment of claims by providers.

(a) *Basic prohibition.* Except as specified in paragraph (b) of this section, Medicare does not pay amounts that are due a provider to any other person under assignment, or power of attorney, or any other direct payment arrangement.

(b) *Exceptions to the prohibition—(1) Payment to a government agency or entity.* Subject to the requirements of the Assignment of Claims Act (31 U.S.C. 3727), Medicare may pay a government agency or entity under an assignment by the provider.

(2) *Payment under assignment established by court order.* Medicare may pay under an assignment established by, or in accordance with, the order of a court of competent jurisdiction if the assignment meets the conditions set forth in § 424.90.

(3) *Payment to an agent.* Medicare may pay an agent who furnishes billing and collection services to the provider if the following conditions are met:

- (i) The agent receives the payment under an agency agreement with the provider;
- (ii) The agent's compensation is not related in any way to the dollar amounts billed or collected;
- (iii) The agent's compensation is not dependent upon the actual collection of payment;
- (iv) The agent acts under payment disposition instructions that the provider may modify or revoke at any time; and

(v) The agent, in receiving the payment, acts only on behalf of the provider.

Payment to an agent will always be made in the name of the provider.

§ 424.74 Termination of provider agreement.

CMS may terminate a provider agreement, in accordance with § 489.53(a)(1) of this chapter, if the provider—

- (a) Executes or continues a power of attorney, or enters into or continues any other arrangement, that authorizes or permits payment contrary to the provisions of this subpart; or
- (b) Fails to furnish, upon request by CMS or the intermediary, evidence necessary to establish compliance with the requirements of this subpart.

§ 424.80 Prohibition of reassignment of claims by suppliers.

(a) *Basic prohibition.* Except as specified in paragraph (b) of this section, Medicare does not pay amounts that are due a supplier under an assignment to any other person under reassignment, power of attorney, or any other direct arrangement.

(b) *Exceptions to the basic rule—(1) Payment to employer.* Medicare may pay the supplier's employer if the supplier is required, as a condition of employment, to turn over to the employer the fees for his or her services.

(2) *Payment to a facility.* Medicare may pay the facility in which the services were furnished if there is a contractual arrangement between the facility and the supplier under which the facility bills for the supplier's services.

(3) *Payment to health care delivery system.* Medicare may pay a health care delivery system if there is a contractual arrangement between the system and the supplier under which the system bills for the supplier's services.

(4) *Payment to a government agency or entity.* Subject to the requirements of the Assignment of Claims Act (31 U.S.C. 3727), Medicare may pay a government agency or entity under a reassignment by the supplier.

(5) *Payment under a reassignment established by court order.* Medicare may pay under a reassignment established by, or in accordance with, the order of